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PROGRESS IN THE IMPLEMENTATION OF THE NATIONAL ACCOUNTS CAPABILITY PROGRAMME

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ANNEX I : Analysis of missions (days)

INTRODUCTION

1. In 1981/82, the Economic Commission for Africa reviewed the state of national accounts in Africa and drew up proposals for their further development under the title "National Accounts Capability Programme" (NACP). This paper reviews the position four years later and discusses the immediate prospects.

HISTORY AND FUNDING OF ECA's INVOLVEMENT

2. Particularly since 1969, ECA has undertaken many missions to African countries to explain the UN System of National Accounts (SNA), to assist countries to adopt the SNA, to provide on-the-job training and frequently actually to compile the estimates.

3. In 1979, these efforts were re-inforced by a project, funded by UNDP, specifically 'to help least developed countries (LDC's)and newly independent countries(NIC's)in Africa to develop economic statistics in general and national accounts in particular'. The sum of US$350,000 was allocated to the first two year period, starting in mid-1979. By the end of 1981, US$240,000 had been spent, mostly on the cost of the senior regional adviser and on a group training course held in Rabat in 1980.

4. From the beginning of 1984, the ECA resumed funding the regional advisory post from its regular programme of technical co-operation. This was because no further funds could be made available by UNDP. The UNDP project was extended, and the rate of disbursement fell dramatically. At the same time, a new budget was proposed, covering a seven year period from 1982/3. The annual cost in that year was put at US$480,000 rising to US$700,000 in 1988/9 (to allow for inflation at about 10 per cent per annum). However, despite approaches in particular to the World Bank, no additional money was secured for this purpose. The activities of the advisory service were therefore limited to those funded by ECA (approximately US$120,000 in 1985/6) and by the remaining portion of the UNDP project.

ACTIVITIES SINCE 1981

5. The main activities were the short-term missions carried out in various countries in the region, supplemented by work done subsequently at ECA. The following table shows the number of missions undertaken in the five year period 1981-1985.

Year	To French-speaking countries	To English-speaking countries*
1981	4	7
1982	2	6
1983	3	3
1984	3	4
1985	1	5
Total missions	14	30
countries	8	15
Days on mission	134	390

* Zanzibar (Tanzania) is counted as a separate country because it compiles separate national accounts which are covered by the mainland data.

Further details are given in Annex I. The figures reflect the fact that there was an English-speaking regional adviser in post until June 1984, followed by a gap of 12 months before the present adviser took up the post. Missions to French-speaking countries were undertaken by a consultant (4) and an ECA staff member (10). Two of the missions to English-speaking countries were carried out by an ECA staff member, the remainder by the regional adviser.

6. Other activities have included attendance at and support for international meetings, in particular one held in Cameroon in November 1982, and more recently, in September/October 1985, training workshops were held in Addis Ababa (one in English and one in French) in which 26 people participated from 13 countries.

THE OUTCOME OF THE ACTIVITIES

7. The figures show that in the 5-year period, 23 countries were visited and an average of 3½ weeks spent in each. The maximim total time spent in any country was 54 days or rather less than 8 weeks. This is of course a relatively small

input (although the time spent in the country was often supplemented to a large extent by work done subsequently at ECA), and the extent to which it has contributed to the objective given above is difficult to assess. (No survey has been carried out on the state of national accounting to up date the information obtained in 1981).

8. The general impression is that most of the problems identified then still exist. These include:

(a) high turnover of professional staff
(b) lack of resources for collecting basic data; and
(c) lack of appreciation of the uses of integrated economic data.

The NACP cannot by itself solve these problems. But it is clear that the situation would be considerably worse in many countries, were it not for the activities described above. Guidance on the statistics required has been given; work programmes formulated; methods of estimation established; estimates themselves compiled; and training given. National accounts are being produced, in spite of many difficulties.

THE NEED FOR NATIONAL ACCOUNTS

9. In spite of its shortcomings as an indicator of development, aggregate national income (or GDP, to which it is closely related) is a measure that is in constant demand for many purposes. Timely and (as far as possible) reliable estimates of GDP are a basic statistical requirement almost everywhere.

10. The national accounts are however more than mere measurement of GDP. They constitute a consistent framework within which economic data may be collected, presented and analysed. The complete System of National Accounts (SNA) includes production accounts; commodity flow accounts; input/output tables; income and outlay accounts of the institutional sectors; analyses of government expenditure and finance; capital accounts; the acquisition of financial assets and liabilities; and the balance of payments (rest of the world account).

11. Few (if any) countries compile such a complete set (which can be extended further to include e.g. balance sheets, distributional accounts, regional accounts, etc.). Many industrialised countries compile a substantial part of the whole, but it is necessary for each country to decide which parts of the basic framework to elaborate and which to leave undeveloped, in accordance with its particular needs and circumstances. (Some elaborations are often desirable to improve the quality of the overall aggregates such as GDP, quite apart from their intrinsic value).

12. In the present economic difficulties and constraints which so many countries of the region are facing, two types of need for economic data might be distinguished. The first is up-to-date intelligence on key aspects of the economy (e.g. export performance, crop production, prices, government revenues and expenditure, etc.) so that adverse trends can be identified and appropriate action taken. The second is a structural data base needed for the analysis of developmental and fiscal policies and their effects on the whole economy.

DATA COLLECTION PROGRAMMES

13. The compilation of national accounts involves the bringing together of all possible available data from many different sources in order to present a coherent picture of the whole economy and its development. In this it is quite different from the more usual data collecting activities of national statistical offices. It makes use of the data; indeed it is dependent to a very large extent on these other activities for its reliability and timeliness. Put another way, the reliability and timeliness of the national accounts provide a good indication of the state of a country's economic statistics as a whole.

14. This has important implications for the management of economic data collection programmes. Their effectiveness can be measured by the extent to which they are meeting the needs of the national accounts. Of course, most information needed for the national accounts could, and should, be usefully made available in its own right, but its usefulness in the context of the national accounts is an excellent indication of its value.

15. The national accounts should therefore have a special status within the statistical organisation, with a primary role in determining its programme and priorities for the collection of economic statistics. Without this influence and status it is likely that the national accounts themselves will be moribund and that the overall programme of data collection will lack balance and relevance. Thus the development of national accounts capability is not confined to the definitions and estimation techniques involved. That is the least of it. Rather it is concerned with the overall development of comprehensive, well-balanced and cost-effective economic statistics, both for national accounting and for other purposes.

THE ROLE OF THE ECA ADVISORY SERVICE

16. It is appropriate now to consider afresh what the immediate aims of the ECA advisory service should be in forwarding the overall objectives of the WCP, i.e. strengthening the capability of national statistical offices to provide the authorities with timely, reliable and appropriate economic statistics, within a national accounting framework.

17. In considering the role of the ECA, it is necessary to take account of the activities of other agencies and indeed of country projects in the field. Maximum co-operation is necessary if the above objective is to be realised, given the minimal resources that are available for statistical work. Emphasis should therefore be given to assisting countries:

(a) who do not have resident country experts in national accounts, and

(b) who are not obtaining assistance from other sources.

In such countries there will be a need for considerable direct support and on-the-job training, and the advisory service could provide this through a series of short missions, in a way that would encourage self-reliance on the part of national staff and reduce the need for country experts.

18. In particular, as a result of such activities, it is to be expected that, in participating countries:

(a) the needs of national planners and policy-makers for national accounting data will be more closely identified and satisfied;

(b) better methods of data presentation and dissemination will have been developed and used;

(c) simple additional data collection programmes will have been instituted, and proposals made for more comprehensive programmes as appropriate;

(d) the fullest possible use will have been made of data becoming available e.g. from existing household surveys,

(e) the timeliness of the estimates will have improved;

(f) better methods of estimation will have been introduced and documented;

(g) national accounts and other national staff will have a clearer understanding of the objectives, techniques and data requirements, and play a more effective role in the planning and policy-making process.

Two further aims, to supplement the above would be to:

(h) identify, develop and promote the most effective and appropriate use of modern information technology and

(i) encourage the more effective use of the data by promoting greater awareness of appropriate analytical techniques (the use of SAMs, econometric models etc.)

PROPOSED ACTIVITIES

19. The principle activities of the advisory services will of course be to continue to carry out missions to the participating countries, and to make appropriate recommendations. According to circumstances it will be necessary to:

- discuss data requirements with users; determine the most appropriate form of data dissemination; draft table layouts and reports;
- institute simple data collection and collation procedures; recommend changes to existing procedures; produce formal proposals for larger-scale data collection programmes;
- help set-up and monitor work programmes
- design or redesign, and document, estimation procedures;
- undertake, possibly with others, the compilation of more sophisticated (benchmark) data sets or accounts;
- train, by example and by explanation, national staff in all aspects of national accounting, and
- promote closer co-operation between compilers and users.

In addition it will be necessary to organize more formal seminars and training workshops, and to study and experiment with different forms of information technology.

INPUTS

20. The presently available inputs consist of one regional adviser together with travel funds and secretarial services, provided by ECA, and a balance of funds in the UNDP project for assistance to LDCs and LICs. There is the prospect of a stronger national accounts team within ECA (recently there have been two P3 vacancies). Although these staff are primarily concerned with making national accounting data available for users within ECA and elsewhere (through the ECA data base), it is to be expected that they will undertake a limited number of missions along with or in addition to those undertaken by the regional adviser.

21. Plans are well advanced for recruiting a french-speaking consultant to carry out missions to 1 or 2 francophone countries in 1986. This will be paid for from the UNDP project, which is being revised to reflect the outcome in 1985. It is expected that these funds will last until the end of 1987. It will therefore be necessary to review the position again within the next 12 months with a view to obtaining additional funds to continue the activities described above.

REVIEW OF SNA

22. It is proposed to hold a seminar on the review of the United Nations System of National Accounts (SNA) in September 1986, in order to ensure that the collective views of African national accountants are taken into account in the review. Separate funds are being sought in order to help finance participation by as many experienced national account-ants in the region as possible.

Analysis of missions (days)

Country	1981
Benin	7
Comores	
Djibouti	
Equatorial Guinea	7
Guinea	15
Mali	
Mauritania	13
Rwanda	
Sub-total	42
Botswana	13
Gambia	
Ghana	
Lesotho	14
Liberia	
Malawi	1
Sierra Leone	
Somalia	
Sudan	17
Swaziland	20
Tanzania (mainland)	0
Tanzania (Zanzibar)	
Uganda	
Zambia	
Zimbabwe	24
Sub-total	113
Grand total	155

1982	1983	1984	1985	Total
				7
	24			24
17	15			32
				7
		20		30
		17		17
				13
22		10	[illegible]	46
35	39	50	[illegible]	124
15				30
10	[illegible]			19
5				[illegible]
	24			44
	15			15
				15
[illegible]			1[illegible]	[illegible]
			27	27
				17
	14	18		34
	[illegible]	17	[illegible]	35
	[illegible]	15	[illegible]	50
11				11
7				7
				[illegible]
53	1[illegible]	47	[illegible]	[illegible]0
94	117	[illegible]0	[illegible]	[illegible]